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Will Your Family Brand Survive New Leadership?

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As trillions in family-owned companies shift to next-generation leaders, one critical asset is being ignored: the brand. Here's why brand value—often nearly 20% of enterprise worth—erodes during succession and how families can protect it.

Family businesses are in the middle of one of the largest leadership transitions in history.

Over the next decade, trillions of dollars in family-owned companies will transfer from Baby Boomer founders to their successors. When preparing for this transition, most families are focused on the tangible assets listed in spreadsheets and legal documents, such as ownership shares. But few are talking about the intangible asset that, on average, represents 19% or more of their enterprise value(https://themasb.org/wp-content/uploads/2019/12/ForbesMAReport.pdf) : their brand.

A family business brand isn't just a logo or a tagline. It's the trust, reputation, and goodwill that a company has earned over decades of doing the right thing. That edge, built through consistency and authenticity, is one of the most powerful and most perishable assets a family can own. According to the Edelman Trust Barometer (https://www.edelman.com/newsroom/richard-edelmans-6am-blog/family-business-losing-trust-advantage) , the general public's trust in family businesses is eroding, declining from 72% in 2013 to 66% in 2023. This decline is largely attributed to family businesses not doing enough to actively communicate their purpose, story, and close the gaps between customer expectations and delivery.

Why the Brand Deserves a Seat at the Family Table

When families plan for succession, they often treat reputation as something that will take care of itself. Yet the very dynamics of generational transition, including introducing new leaders, expanding into new markets, and shifting customer expectations, create pressure that can erode a brand's value. Without deliberate attention, the trust that took decades to build can fade in a few short years.

One 150-year-old manufacturer learned this the hard way. Their quality and craftsmanship were impeccable, but their marketing had not evolved since the 1980s. When the next generation tried to expand into new channels, customers immediately pushed back on their premium pricing. The issue was purely perception. After they invested in clarifying their story, documenting consumer brand preferences, and modernizing their visuals, they were able to command a price that matched their quality and preserve their margins. That was when they discovered that their reputation, like equipment, needs maintenance.

Strong family companies are disciplined about financial oversight. They regularly review cash flow, debt-to-equity ratios, and capital investments. The same rigor should apply to the family brand. Stewarding it intentionally by tracking its strength and relevance, and reinvesting where needed, protects both the company and the family legacy.

What Makes a Generational Brand Different

Most branding advice is written for businesses that don't intend to last forever. They focus on startups that hope to sell in five or 10 years, or corporations driven by quarterly results. Family businesses play a different game. Their brand must survive leadership changes, economic cycles, and cultural shifts. That requires building for stewardship, not just revenue.

In our research and client work, we've found that enduring, “generational” brands share six defining qualities:

1. Transferable

Future leaders, employees, and customers all understand the brand’s value immediately, and can represent it with confidence. It isn’t dependent on one founder’s personality or presence. Customer trust lives with the company, not an individual.

Reflection question: Who else in your company could you trust to carry a key customer relationship tomorrow? What allows them to do this well?

2. Systematized

The brand is reinforced through documented messages, visual systems, customer experience standards, and internal processes. The systems can be used for decision-making by various departments within the company.

Reflection question: Do your employees across departments use the same language to describe who you are and what you stand for, and is that language written down anywhere?

3. Differentiated

The brand communicates something that competitors can’t easily copy. “Family-owned” or “quality service” aren’t enough; they must be translated into tangible distinctions that customers can feel.

Reflection question: Could a competitor copy the language on your website or in your sales deck and have it still ring true for them?

4. Story-Based

The company has a consistent story that is regularly told internally and externally to model behaviors, values, and legacy that leaves room for innovation, and connects the past to the future.

Reflection question: How does your founding story shape what you’re building next? Can your team tell your founding story in their own words?

5. Customer-Centered

Decisions are grounded in the needs of the people you serve, informed by data instead of internal assumptions. There is a system and cadence in place for gathering and acting on customer insights.

Reflection question: When was the last time your next-generation leaders personally interviewed customers to understand how expectations are changing?

6. Visionary

The brand points forward, connecting current purpose with future ambition. It helps both employees and customers see where the company is headed, not just where it’s been.

Reflection question: Does your brand give the next generation a vision they want to carry further than you have?

When these six qualities are present, a brand behaves like an appreciating asset: it multiplies the value of every other investment the family makes.

Four Steps to Strengthen the Brand You’ll Pass On

Building a generational brand doesn’t require risky or dramatic change. Here are a few practical steps you can take to strengthen your family brand:

1. Assess your brand’s current strength.

Just as you’d review a balance sheet, take inventory of your brand’s health across the six qualities above. Identify where the brand is fragile. Is it overly tied to the founder, or inconsistent across locations, departments, or divisions? Have multiple family leaders and non-family leaders rate the various qualities independently to uncover areas of misalignment and blind spots.

2. Engage the next generation early.

Your brand must work for more than today's leaders, but inviting the next-gen into the brand conversation can feel like asking them to attend another family meeting. Instead, give them a specific project: “Spend three months interviewing our youngest customers about what they value most about us, then report back.” Or: “Audit our five closest competitors' websites and tell us where our differentiation is unclear.” When next-gen family members discover insights, they become invested and empowered stewards. One client's 28-year-old daughter discovered through customer interviews that the company's “old-fashioned” reputation was actually seen by customers as “authenticity”, a strength competitors couldn't replicate. She wouldn't have owned (or even believed) that insight if it had simply been told to her.

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3. Embed the brand into operations.

Brands must ensure that there is little to no gap between customer expectations and what is delivered. Document non-negotiables in customer experience and regularly celebrate actions that reflect brand values. Consistency builds trust faster than any marketing spend.

4. Stress-test your differentiation.

Markets evolve. What set you apart a decade ago may now be table stakes. Periodically benchmark your story against customer expectations and competitor claims. Regular “voice of customer” interviews (not surveys) are one of the most effective ways to keep your differentiation in step with changing customer experience and preferences. If your customers are well-defined and segmented, even 10-12 interviews per segment can yield valuable insights.

Common Traps That Quietly Erode Brand Value

You can avoid these predictable traps that weaken brands over time.

Over-reliance on clichés

Phrases like “we treat customers like family” or “quality you can trust” may be true, but they no longer differentiate. One second-generation manufacturer realized that nearly every competitor used identical language, and their products were commoditized. Once they reframed their story around proprietary IP they had developed in a patented product, customers immediately understood what made them different, and the average sale value increased 30%.

Fear of alienating long-time customers

Loyal relationships are a family business superpower, but they can also create inertia. A regional service company delayed announcing a geographic expansion because leadership feared that older clients would see it as disloyal. When they finally shared their vision, those same customers became their biggest champions, introducing them to key industry connections. The real risk was staying silent.

Humility as a hidden limitation

Family leaders often take pride in “letting the work speak for itself.” But when humility turns into invisibility, growth suffers. A food company we advised had built state-of-the-art production capabilities, yet downplayed them in marketing and sales presentations. Prospective retailers assumed they were too small for national distribution until the company began confidently telling its expansion story.

Internal blind spots

It’s hard to read the label when you’re inside the bottle. Families who have grown organically often struggle to articulate what makes them unique now. Without a fresh outside perspective, even strong brands can begin to sound generic.

Founder dependency disguised as loyalty

Families often celebrate "Dad's way" or "Grandma's principles,” but this can become a trap. One third-generation leader told us, "I realized I was defending my grandfather's 1960s sales approach not because it worked, but because challenging it felt disloyal." The healthiest brands are constantly asking, “What should we stop, what should we start, and what should we continue?” in an effort to update or eliminate outdated practices, while preserving value.

From Reputation to Legacy

In a world where attention spans are short, the families who treat their brand as a living asset, invested in and constantly renewed, will be the ones whose legacies endure.

Start with one question at your next family or board meeting: “If we had to sell the business tomorrow, what would buyers pay for our brand beyond our customer contracts and equipment?” If the room goes silent, you have your answer and have identified the work ahead. Brand value should be as clearly understood and actively managed as any line item on your balance sheet.

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